

CHAPTER NO. 406

HOUSE BILL NO. 1055

By Representative Ronnie Cole

Substituted for: Senate Bill No. 631

By Senators Cooper, Person

AN ACT to amend Tennessee Code Annotated, Section 55-17-114.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-17-114(b)(1)(E) is amended by adding at the end the following:

provided, that dealers are specifically authorized to charge a document preparation fee, processing fee or servicing fee in addition to the sales price of the motor vehicle and such fees shall not be deemed to be a false or misleading representation made in connection with the sale of a motor vehicle, nor a violation of the provisions of Tennessee Code Annotated, Section 47-18-101, *et seq.*, provided that the amount of such fees is separately stated and clearly and conspicuously disclosed on the face of the sales contract or buyer's invoice prior to the buyer's execution thereof. For purposes of this provision the disclosure shall be deemed to be "conspicuous" if it is listed on the contract or invoice in the same place and manner and in type face no smaller or less obvious than the other type face used therein with respect to other charges listed, and shall be deemed to be "clear" if it states that the charge is a fee for "document preparation" "processing" or "servicing" or language or abbreviations to the same or a similar effect. The authorization provided by this provision shall not apply if the dealer represents to the buyer that such fee is required by or will be paid to any governmental agency or entity.

SECTION 2. The provisions of this Act are not intended to alter, amend, or affect the provisions of any existing statute or administrative rule regarding advertising of motor vehicles.

SECTION 3. This act is declaratory of existing law in the State of Tennessee and merely codifies the existing policies concerning the subject.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: June 7, 2001


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 19th day of June 2001


DON SUNDQUIST, GOVERNOR